

***Superseded 5/10/2016***

**59-7-311 Method of apportionment of business income.**

- (1) For a taxable year, all business income shall be apportioned to this state by multiplying the business income by a fraction calculated as provided in this section.
- (2)
  - (a) Subject to the other provisions of this part, for the taxable year that begins on or after January 1, 2010, but begins on or before December 31, 2010, a taxpayer, including a sales factor weighted taxpayer, shall elect to calculate the fraction for apportioning business income to this state under this section using:
    - (i) the method described in Subsection (2)(c); or
    - (ii) the method described in Subsection (2)(d).
  - (b) Subject to the other provisions of this part, for a taxable year that begins on or after January 1, 2011, a taxpayer, except for a sales factor weighted taxpayer, shall elect to calculate the fraction for apportioning business income to this state under this section using:
    - (i) the method described in Subsection (2)(c); or
    - (ii) the method described in Subsection (2)(d).
  - (c) For purposes of Subsection (2)(a) or (b), a taxpayer described in Subsection (2)(a) or (b) may elect to calculate the fraction for apportioning business income as follows:
    - (i) the numerator of the fraction is the sum of:
      - (A) the property factor as calculated under Section 59-7-312;
      - (B) the payroll factor as calculated under Section 59-7-315; and
      - (C) the sales factor as calculated under Section 59-7-317; and
    - (ii) the denominator of the fraction is three.
  - (d) For purposes of Subsection (2)(a) or (b), a taxpayer described in Subsection (2)(a) or (b) may elect to calculate the fraction for apportioning business income as follows:
    - (i) the numerator of the fraction is the sum of:
      - (A) the property factor as calculated under Section 59-7-312;
      - (B) the payroll factor as calculated under Section 59-7-315; and
      - (C) the product of:
        - (I) the sales factor as calculated under Section 59-7-317; and
        - (II) two; and
    - (ii) the denominator of the fraction is four.
  - (e) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for a taxpayer described in Subsection (2)(a) or (b) to make the election required by this Subsection (2).
- (3)
  - (a) Subject to the other provisions of this part, for the taxable year that begins on or after January 1, 2011, but begins on or before December 31, 2011, a sales factor weighted taxpayer shall calculate the fraction for apportioning business income to this state as follows:
    - (i) the numerator of the fraction is the sum of:
      - (A) the property factor as calculated under Section 59-7-312;
      - (B) the payroll factor as calculated under Section 59-7-315; and
      - (C) the product of:
        - (I) the sales factor as calculated under Section 59-7-317; and
        - (II) four; and
    - (ii) the denominator of the fraction is six.

- (b) Subject to the other provisions of this part, for the taxable year that begins on or after January 1, 2012, but begins on or before December 31, 2012, a sales factor weighted taxpayer shall calculate the fraction for apportioning business income to this state as follows:
  - (i) the numerator of the fraction is the sum of:
    - (A) the property factor as calculated under Section 59-7-312;
    - (B) the payroll factor as calculated under Section 59-7-315; and
    - (C) the product of:
      - (I) the sales factor as calculated under Section 59-7-317; and
      - (II) 10; and
  - (ii) the denominator of the fraction is 12.
- (c) Subject to the other provisions of this part, for a taxable year that begins on or after January 1, 2013, a sales factor weighted taxpayer shall calculate the fraction for apportioning business income to this state as follows:
  - (i) the numerator of the fraction is the sales factor as calculated under Section 59-7-317; and
  - (ii) the denominator of the fraction is one.
- (4) If a taxpayer calculates the fraction for apportioning business income to this state using a method described in this section:
  - (a) the taxpayer shall determine the method for calculating the fraction for apportioning business income to this state under this section on or before the due date for filing the taxpayer's return under this chapter for the taxable year, including extensions; and
  - (b) the method described in Subsection (4)(a) is in effect for the time period:
    - (i) beginning on the first day of the taxpayer's taxable year for which the taxpayer makes the determination described in Subsection (4)(a); and
    - (ii) ends on the last day of the taxable year described in Subsection (4)(b)(i).